

# Stakeholder Comments Template

Revised May 30, 2017

Submitted by	Company	Date Submitted
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Please use this template to provide your written comments on the stakeholder initiative “Capacity Procurement Mechanism Risk-of-Retirement (“CPM ROR”) Process Enhancements.”

Submit comments to [InitiativeComments@CAISO.com](mailto:InitiativeComments@CAISO.com)

**Comments are due June 6, 2017 by 5:00pm**

The Issue Paper posted on May 10, 2017 and the presentations discussed during the May 18 and 25, 2017 working group meetings can be found on the [CPM ROR](#) webpage.

Please use this template to provide your written comments on the issue paper topics listed below and any additional comments that you wish to provide.

## 1. Problem Statement and Scope of Initiative

Please provide any comments on the problem statement and scope of this initiative.

### **Comments:**

At the workshops, SCE stated that the concerns being discussed are part of larger issues with respect to resource retirements, state policy goals, and long-term fundamental changes to the electricity market. Because the workshop, and therefore this initiative, refined the scope to immediate changes to improve existing provisions, SCE’s comments reflect the limited scope that has been defined.

## 2. Identified Issues

Please provide any comments on the issues that have been identified thus far in the initiative, including if there are other issues that you would like to identify.

### Comments:

## 3. Potential Enhancements

Please provide any comments on the potential enhancements that were listed on slides 19, 20 and 21 of the slide presentation for the May 25, 2017 working group meeting.

### Comments:

SCE does not currently see any issues with allowing resources to apply for CPM ROR if they are still under contract but do not expect to have an RA contract in a subsequent year. However, a resource should not be informed of any ROR study results until after all aspects of the RA process is completed (including the annual showing and the completion of all deficiency processes). If a resource can determine its ROR results before the RA process is complete, the resource could be given an unfair advantage in terms of price discovery and market power.

SCE believes developing an application window has potential. Allowing multiple resources to be considered together could reduce the risk of an inefficient outcome due to different resources applying in a specific order. Details around this enhancement will need to be carefully considered. For example, stakeholders will need to determine how to handle resources that miss an application window. Will that resource be subject to an independent study or will the resource be required to wait until the next window?

SCE supports using existing CPM selection criteria to guide development of selection criteria for this process. Most notably, the current process was developed assuming that there would likely be individual retirements during any given period. As a result, the pricing mechanism of bidding subject to the soft offer cap was replaced with an administrative price of the soft offer cap. Given that it now appears that there could be multiple requests during a given period, SCE suggests that resources be allowed to bid, similar to the other CPM uses, subject to the soft offer cap. The CAISO could then choose based upon price and other reliability criteria such as grid constraints now and predicted in the future.

Regarding the attestation, this initiative should consider allowing any resource that applies for a CPM ROR to withdraw their application as long as they have not been informed of their CPM ROR study results. Between the time a resource applies for CPM ROR and when results are available, market conditions may change to the point where the CPM ROR is no longer needed. However, the decision to retire should be fixed once the study results are known.

#### 4. Other Comments

Please provide any additional comments not associated with the topics listed above.

**Comments:**